



May 8, 1989

RECORDATION NO. 14935 FILED 1423

MAY 15 1989 -3 35 PM

Istel Rail Corporation55 Francisco Street
San Francisco, California 94133
(415) 984-4000
(415) 781-1035 Fax

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Rider G to Master Lease Agreement dated February 28, 1986, between Istel Rail Corporation and Iowa Interstate Railroad, Ltd.

Dear Ms. McGee:

On behalf of Istel Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Rider under Master Lease No. 1100 dated February 28, 1986, between Istel Rail Corporation and Iowa Interstate Railroad, Ltd., which was filed with the ICC on April 7, 1986, under Recordation No. 14935.

The parties to the aforementioned instrument are listed below:

Istel Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Iowa Interstate Railroad, Ltd. (Lessee)
818 Church Street
Evanston, Illinois

This Rider covers fifty (50) 70-ton, dual 45' flatcars bearing reporting marks IAIS 902661-902724 (n.s.).

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

A handwritten signature in cursive script that reads "patricia schumacker".

Patricia Schumacker
Legal Department

RECORDATION FILED 14935-5
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INTERSTATE COMMERCE COMMISSION

RIDER G
TO
MASTER LEASE NO. 1100 BETWEEN ITEL RAIL CORPORATION
AND IOWA INTERSTATE RAILROAD, LTD.

THIS RIDER G ("Rider G ") to that certain Master Lease Agreement, as amended, (the "Agreement") made as of February 28, 1986 between ITEL RAIL CORPORATION, as lessor ("Lessor"), and IOWA INTERSTATE RAILROAD, LTD., as lessee ("Lessee"), is made this 3rd day of April, 1989 between Lessor and Lessee.

Lessor and Lessee agree as follows:

1. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Rider G.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement as supplemented by this Rider G. The terms and provisions of this Rider G shall control, as to the Cars described hereinbelow, over any inconsistent or contrary terms and provisions in the Agreement.

AAR Mech Desig	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
FC	70-ton, dual 45' Flatcar, Plate B, cushion underframe	IAIS 902661, 902665, 902669-902676, 902678, 902680, 902681, 902685- 902689, 902691- 902693, 902695- 902719, 902721- 902724	89'4"	9'	N/A	N/A	50

3. The term of the Agreement with respect to each Car described in this Rider G shall commence at 12 noon on the date such Car is remarked pursuant to Subsection 3.A of the Agreement, and shall continue as to all of the Cars described in this Rider G for five (5) years from the earlier of (i) the date on which the last Car described in this Rider was remarked or (ii) sixty (60) days from the date the first Car described in this Rider was delivered to Lessee's lines (the "Term"). Lessor shall notify Lessee in writing of the expiration date of the Agreement with respect to the Cars on this Rider. Unless Lessee, within fifteen (15) days of such notice, demonstrates to the satisfaction of Lessor that such date is incorrect, then Lessee shall be deemed to have concurred to such date.

4. Rent:

A. Definitions

- (i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the date this Rider is executed by the parties. Unless Lessor and Lessee agree otherwise, any lines purchased by Lessee or added to the Eligible Lines or any Eligible Lines sold by Lessee to another party, effective on the date of such sale, during the term of the Agreement are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined hereinbelow).
- (ii) "Revenues Rates" is defined as the hourly and mileage car hire rates specified for each Car in the Hourly and Mileage Car Hire Rate Table published in the January 1989 edition of The Official Railway Equipment Register.
- (iii) "Revenues" is defined as the total revenues, calculated at the Revenue Rates, that are earned or due for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to, per diem and mileage, whether or not collected and received by Lessor, and undiminished by any claimed abatement, reduction or offset caused by any action or failure of Lessee.
- (iv) The "Base Rent" is defined as the Revenues which the Cars would have earned in the aggregate if the Cars had been

B. Lessor shall receive all Revenues earned by each Car prior to its Initial Loading. Each Car delivered pursuant to Subsection 3.A. of the Agreement shall become subject to the rental calculation under Subsection 4.C. hereinbelow upon the Initial Loading of such Car.

C. Lessee agrees to pay rent to Lessor for the Cars calculated as follows:

- (i) In the event Revenues earned in any calendar quarter or applicable portion thereof are equal to or less than the Base Rent, Lessor shall retain a sum equal to one hundred percent (100%) of the total Revenues.
- (ii) In the event Revenues earned in any calendar quarter or applicable portion thereof exceed the Base Rent, Lessor shall retain an amount equal to the Base Rent plus fifty percent (50%) of all Revenues in excess of the Base Rent and Lessee shall receive fifty percent (50%) of all Revenues received in excess of the Base Rent.

- D. (i) In the event that as a result of any action or inaction by Lessee, Lessor shall receive or earn for the use of any Cars, Revenues calculated at hourly or mileage car hire rates that are lower in amount than those specified in Subsection 4.A. (ii), Lessee shall pay to Lessor, within ten (10) days of Lessor's request, an amount equal to the difference between the Revenues such Cars would have earned at the Revenue Rates and the amount of revenues actually received or earned for such Cars.
- (ii) Should any abatement, reduction or offset occur, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor the amount of such abatement, reduction or offset.
- (iii) If, at any time during the Agreement, Lessee operates lines other than the Eligible Lines, Lessee shall supply Lessor with records which distinguish the movement of each Car on the Eligible Lines from the movement of such Car on any other lines operated by Lessee.
- E. The calculations required in Section 4.C. and 4.D. of this Rider G shall be made within five (5) months of the end of each calendar year ("Final Calculations"). However, Lessee shall report to Lessor by the sixtieth (60th) day after the end of each calendar month in which Revenues were actually earned ("Service Month"), the total hours off Lessee's line, total miles travelled off Lessee's line, total miles travelled on Lessee's line and the dollar value of all Revenues actually earned. Lessee shall remit to Lessor all Revenues received within twenty (20) days after Lessee receives such Revenues, provided, however, that Lessee pays to Lessor one hundred percent (100%) of the earned Revenues for each Service Month within one hundred twenty (120) days after such Service Month. In the event that any received Revenues are not remitted to Lessor by Lessee within twenty (20) days after Lessee receives such Revenues ("Late Revenues"), Lessee shall pay to Lessor an additional amount ("Late Fee") equal to ten percent (10%) of the Late Revenues. If the car hire records relating to the Cars are maintained by a party other than Lessee, Lessee hereby grants Lessor the authority to inspect such records during such party's normal business hours, provided, however, that Lessor shall notify Lessee at least ten (10) days before such inspection occurs.
- F. If, with respect to any calendar quarter or quarters, revenues received by Lessor for the Cars on this Rider are less than the Revenues the Cars would have earned in the aggregate if the Cars had

to Lessee, terminate this Agreement as to such Cars as Lessor shall determine; provided, however, that Lessee may, at its option, within ten (10) days of receipt of such notice from Lessor, void such termination notice by paying to Lessor for such calendar quarter or

quarters, and by agreeing to pay Lessor for each subsequent calendar in which Revenues are less than the Minimum Amount, an amount equal to the difference between actual Revenues for such calendar quarter or quarters and the Minimum Amount. If Lessee has voided any termination notice and is complying with the terms of this Subsection 4.F. and of the Agreement, Subsection 4.C. (ii) hereinabove shall be replaced by the following:

"(ii) in the event Revenues earned in any calendar quarter or applicable portion thereof exceed the Minimum Amount (as defined in Subsection 4.F hereinbelow), Lessor shall retain an amount equal to the Minimum Amount and Lessee shall receive all Revenues received in excess of the Minimum Amount."

- G. In the event that the ICC or any agency with jurisdiction issues any order or action which results in a reduction of the rates specified in Subsections 4.A. (ii) and 4.A. (iii) during any calendar quarter, Lessor may, at its option, terminate any or all of the Cars from the Agreement upon sixty (60) days' prior written notice to Lessee and/or initiate negotiations for a new lease agreement involving the Cars.
 - H. Lessee shall at no time discriminate against the Cars in the provision of off-line loads, operation, use and maintenance as compared with any comparable flatcars, including flatcars owned, leased or managed by Lessee or interchanged to Lessee.
5. A. Upon the expiration of the Agreement with respect to any Car described in this Rider Lessee shall promptly return such Car to Lessor as follows:
- (i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide up to one hundred twenty (120) days' free storage on its railroad tracks for any Car, described on Rider G, which is either on Lessee's railroad tracks at expiration or is subsequently returned to Lessee's railroad tracks. Said one hundred twenty (120) days shall run either from expiration or from the date such Car is returned to Lessee's railroad line subsequent to expiration, whichever date is later.
 - (ii) At the option of Lessor, either Lessee or a contractor mutually chosen by Lessor and Lessee shall, at Lessee's expense, remark the Cars as set forth in Subsection 10.C. of the Agreement. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall load each Car with freight and deliver such Car to a connecting carrier for shipment.
 - (iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transportation each Car to such

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN
FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER
FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL
RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

location shall be borne by Lessor. Lessee shall bear the expense of remarking such Cars.

- B. Remarking, with respect to each Car, shall include the following:
a) removal of existing mandatory markings of Lessee; b) complete cleaning subsequent to the removal of markings as designated by Lessor; c) application of new mandatory markings; and d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.
6. Except as expressly modified by this Rider G or any other Rider, all terms and provisions of the Agreement shall remain in full force and effect.
7. This Rider G may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

ITEL RAIL CORPORATION

By: *DP Angus*

Title: *President*

Date: *April 3, 1989*

IOWA INTERSTATE RAILROAD, LTD.

By: *Paul H. Bauer*

Title: *Ch & CEO*

Date: *3/27/89*

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 3rd day of April, 1989, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Rider G was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Illinois)
) ss:
COUNTY OF Cook)

On this 28th day of March, 1989, before me personally appeared Paul H. Banner, to me personally known, who being by me duly sworn says that such person is _____ of Iowa Interstate Railroad, Ltd. that the foregoing Rider G was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Susan Olszewski
Notary Public

